NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

such part of the leased premises.

THIS LEASE AGREEMENT is made this

## PAID UP OIL AND GAS LEASE (No Surface Use)

day of August

17丛

Linda Cutter/, a.k.a Linda Bigant, Individually and as Trustee for Windy Bryant

whose addresss is P.O. Box 108, Collinsville Texas	76233 as Lessor.
and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas	Texas 75201, as Lessee. All printed portions of this lease were prepared by the party
hereinabove named as Lessee, but all other provisions (including the completion of blar  1. In consideration of a cash bonus in hand gaid and the covenants begin of	ik spaces) were prepared jointly by Lessor and Lessee. contained, Lessor hereby grants, leases and lets exclusively to Lessee the following.
described land, hereinafter called leased premises:	originate, 20000 fictory grants, leaded and total exception, to 20000 file following
O.168 ACRES OF LAND, MORE OR LESS, BEING LOT(S) OUT OF THE Browning Heights East Oni+ No.4  Halton City , TARRANT COUNTIN VOLUME 388-6 , PAGE 88 (C)	31 BLOCK 53
OUT OF THE Browning Heights East Unit No.4	ADDITION, AN ADDITION TO THE CITY OF
Holton City TARRANT COUNT	TY. TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDED
IN VOLUME	OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS.
in the Country of Torront Consecutives (CLCC)	
in the County of <u>Tarrant</u> , State of TEXAS, containing <u>O.I.6.8</u> gross acreversion, prescription or otherwise), for the purpose of exploring for, developing, pro	ss, more or less (including any interests therein which Lessor may hereafter acquire by
substances produced in association therewith (including geophysical/seismic opera	tions). The term "gas" as used herein includes helium, carbon dioxide and other
commercial gases, as well as hydrocarbon gases. In addition to the above-described	leased premises, this lease also covers accretions and any small strips or parcels of
land now or hereafter owned by Lessor which are contiguous or adjacent to the above Lessor agrees to execute at Lessee's request any additional or supplemental instrumer	rescribed leased premises, and, in consideration of the land so covered. For the number description of the land so covered. For the number
of determining the amount of any shut-in royalties hereunder, the number of gross acre-	above specified shall be deemed correct, whether actually more or less.
<ol><li>This lease, which is a "paid-up" lease requiring no rentals, shall be in force for as long thereafter as oil or gas or other substances covered hereby are produced in pa</li></ol>	a primary term of <u>Five</u> ( <u>\$</u> ) years from the date hereof, and for
otherwise maintained in effect pursuant to the provisions hereof.	ying quantities from the leased prefitises of from lands pooled therewith of this lease is
<ol><li>Royalties on oil, gas and other substances produced and saved hereunder s</li></ol>	hall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons
separated at Lessee's separator facilities, the royalty shall be	of such production, to be delivered at Lessee's option to
the wellhead market price then prevailing in the same field (or if there is no such price	
prevailing price) for production of similar grade and gravity; (b) for gas (including	
<u>twenty - five</u> (25) of the proceeds realized by Less severance, or other excise taxes and the costs incurred by Lessee in delivering, proce	ee from the sale thereof, less a proportionate part of ad valorem taxes and production, ssing or otherwise marketing such gas or other substances, provided that I essee shall.
	t price paid for production of similar quality in the same field (or if there is no such price
then prevailing in the same field, then in the nearest field in which there is such a pre	vailing price) pursuant to comparable purchase contracts entered into on the same or
nearest preceding date as the date on which Lessee commences its purchases hereun the leased premises or lands pooled therewith are capable of either producing oil or gather than the capable of either producing oil or gather than the capable of either producing oil or gather than the capable of either producing oil or gather than the capable of either producing oil or gather than the capable of either producing oil or gather than the capable of either producing oil or gather than the capable of either producing oil or gather than the capable of either producing oil or gather than the capable of either producing oil or gather than the capable of either producing oil or gather than the capable of either producing oil or gather than the capable of either producing oil or gather than the capable of either producing oil or gather than the capable of either producing oil or gather than the capable of either producing oil or gather than the capable of either producing oil or gather than the capable of either producing oil or gather than the capable of either producing oil or gather than the capable of either than the	
hydraulic fracture stimulation, but such well or wells are either shut-in or production the	re from is not being sold by Lessee, such well or wells shall nevertheless be deemed to
be producing in paying quantities for the purpose of maintaining this lease. If for a period and the lease of the purpose of maintaining this lease.	od of 90 consecutive days such well or wells are shut-in or production there from is not
being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre ther depository designated below, on or before the end of said 90-day period and thereafte	r on or before each anniversary of the end of said 90-day period while the well or wells
are shut-in or production there from is not being sold by Lessee; provided that if this	lease is otherwise being maintained by operations, or if production is being sold by
Lessee from another well or wells on the leased premises or lands pooled therewith, no f such operations or production. Lessee's failure to properly pay shut-in royalty shall re	o shut-in royalty shall be due until the end of the 90-day period next following cessation
<ol> <li>All shut-in royalty payments under this lease shall be paid or tendered to Les</li> </ol>	sor or to Lessor's credit in <u>at lessor's address above</u> or its successors, which shall
be Lessor's depository agent for receiving payments regardless of changes in the owner	ership of said land. All payments or tenders may be made in currency, or by check or by
draft and such payments or tenders to Lessor or to the depository by deposit in the Us	S Mails in a stamped envelope addressed to the depository of to the Lessor at the last uidate or be succeeded by another institution, or for any reason fail or refuse to accept
payment hereunder. Lessor shall, at Lessee's request, deliver to Lessee a proper recor	dable instrument naming another institution as depository agent to receive payments.
<ol><li>Except as provided for in Paragraph 3, above, if Lessee drills a well which is</li></ol>	incapable of producing in paying quantities (hereinafter called "dry hole") on the leased
premises or lands pooled therewith, or it all production (whether or not in paying que pursuant to the provisions of Paragraph 6 or the action of any governmental author	antities) permanently ceases from any cause, including a revision of unit boundaries ority, then in the event this lease is not otherwise being maintained in force it shall
nevertheless remain in force if Lessee commences operations for reworking an existing	o well or for drilling an additional well or for otherwise obtaining or restoring production
on the leased premises or lands pooled therewith within 90 days after completion of or	perations on such dry hole or within 90 days after such cessation of all production. If at ing maintained in force but Lessee is then engaged in drilling, reworking or any other
operations reasonably calculated to obtain or restore production therefrom, this lease s	half remain in force so long as any one or more of such operations are prosecuted with
no cessation of more than 90 consecutive days, and if any such operations result in	the production of oil or gas or other substances covered hereby, as long thereaπer as
there is production in paying quantities from the leased premises or lands pooled there	ewith. After completion of a well capable of producing in paying quantities hereunder, has a reasonably prudent operator would drill under the same or similar circumstances.
to (a) develop the leased premises as to formations then capable of producing in par-	ving quantities on the leased premises or lands podied therewith, or (b) to protect the
leased premises from uncompensated drainage by any well or wells located on other	ands not pooled therewith. There shall be no covenant to drill exploratory wells or any
additional wells except as expressly provided herein.	e leased premises or interest therein with any other lands or interests, as to any or all
depths or zones, and as to any or all substances covered by this lease, either befor	e or after the commencement of production, whenever Lessee deems it necessary or
proper to do so in order to prudently develop or operate the leaser premises, whether	or not similar pooling authority exists with respect to such other lands or interests. The
horizontal completion shall not exceed 840 acres plus a maximum acreane tolerance (	of exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal
completion to conform to any well enacing or density nattern that may be prescribed or	r nermitted by any governmental authority naving juristiction to do so. For the purpose
of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribe	ed by applicable law of the appropriate governmental authority, or, if no definition is so
fact or more per harrel, based on 24-hour production test conducted under norma	c feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic I producing conditions using standard lease separator facilities or equivalent testing
equipment: and the term "horizontal completion" means an oil well in which the hi	inzontal component of the gross completion interval in lacilities of equivalent teating
ocuinment; and the term "horizontal completion" means an oil well in which the horiz	contai component of the gross completion interval in the reservoir exceeds the vertical cord a written declaration describing the unit and stating the effective date of pooling.
Deaduction drilling or reworking approximate anywhere on a unit which includes all 0	r any part of the leased premises shall be treated as it it were production, uniting or
reworking apprecians on the leased promises except that the production on which Lei	ssor's rovalty is calculated shall be that proportion of the total unit production which the
not acronge covered by this lease and included in the unit hears to the total cross a	icreage in the unit, but only to the extent such proportion of unit production is sold by ereunder, and Lessee shall have the recurring right but not the obligation to revise any
unit formed herounder by expansion or contraction or both, either before or after co	mmencement of production, in order to conform to the well spacing of density pattern
prescribed or normitted by the governmental authority baying jurisdiction, or to confo	rm to any productive acreage netermination made by such governmental address,
making such a revision, Lessee shall file of record a written declaration describing the	revised unit and stating the effective date of revision. To the extent any portion of the
be adjusted accordingly. In the absence of production in paying quantities from a unit	or upon permanent cessation thereof, Lessee may terminate the thirt by ming of record
a unition declaration describing the unit and stating the date of termination. Proling be	reunder shall not constitute a cross-conveyance of intelests.
<ol> <li>If Lessor owns less than the full mineral estate in all or any part of the leased of the leased premises or lands pooled therewith shall be reduced to the proportion the</li> </ol>	premises, the royalties and shut-in royalties payable hereunder for any well on any part at Lessor's interest in such part of the leased premises bears to the full mineral estate in
At the second beautiful and the second beautif	

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lesson has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of e area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures,

now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to femove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof.

Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party orienting to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and time after said judicial determination that a breach or default and lessee fails to the second of the original determination to remedy the breach or default and lessee fails to the second of the original determination to remedy the breach or default and lessee fails to the second or defa

time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or

other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

operations

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market sensitive and the product of the pr conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)

Senda Sultell

By: Linda Luttrell, a.k.a Linda Bryant By: Linda Luttrell, a.k.a Linda Boyant

ACKNOWLEDGMENT

STATE OF 12x95

COUNTY OF Taccount

This instrument was acknowledged before me on the by: Linda Luttrell, a. Ea. Conda Bryant

CLINTON IRVEN THURMON Notary Public, State of Texas My Commission Expires October 03, 2010

Notary Public, State of Taxas Notary's name (printed) Notary's commission expires:

STATE OF Texes

COUNTY OF

COUNTY OF Terrant
This instrument was acknowledged before me on the 17by: Cinda Cutter(1, a.k.s. Conda Biyant, as Trustee

\_day\_of\_

, 2009,

Notary Public, State of 1-eyas Notary's name (printed): Notary's commission expires:

CLINTON IRVEN THURMON Notary Public, State of Texas My Commission Expires October 03, 2010



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

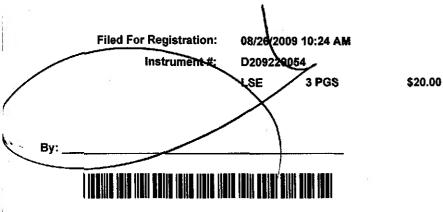
**DALLAS** 

TX: 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



D209229054

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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